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PROPOSITION 1 HIGH SPEED RAIL BONDS.

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HIGH SPEED RAIL BONDS. LEGISLATIVE INITIATIVE AMENDMENT.

OFFICIAL TITLE AND SUMMARY

PREPARED BY THE ATTORNEY GENERAL

HIGH SPEED RAIL BONDS. LEGISLATIVE INITIATIVE AMENDMENT.

- Provides \$9 billion for building a new high-speed railroad between San Francisco and Los Angeles.
- Funds rail expansion to other locations if money becomes available.
- Provides \$950 million for connections to the high-speed railroad and for repairing, modernizing and improving passenger rail service, including tracks, signals, structures, facilities and rolling stock.
- Total funding provided is \$9.95 billion from general obligation bonds.

Summary of Legislative Analyst's Estimate of Net State and Local Government Fiscal Impact:

- State costs of about \$19.4 billion over 30 years to pay off both principal (\$9.95 billion) and interest (\$9.5 billion) costs of the bonds. Payments of about \$647 million per year.
- Additional unknown costs, probably in excess of \$1 billion a year, to operate and maintain a high-speed rail system. The costs would be at least partially offset by passenger fare revenues, depending on ridership.

FINAL VOTES CAST BY THE LEGISLATURE ON SB 1856 (PROPOSITION 1)

Senate:

Ayes 27

Noes 6

Assembly:

Ayes 59

Noes 16

ANALYSIS BY THE LEGISLATIVE ANALYST BACKGROUND

Urban, Commuter, and Intercity Rail. California is served by various types of passenger rail services that include urban, commuter, and intercity rail services. Urban and commuter rail services primarily serve local and regional transportation needs. Examples include services provided by Bay Area Rapid Transit in the San Francisco Bay Area, Sacramento Regional Transit light rail, Metrolink in Southern California, and the San Diego Trolley. These services are generally planned by local or regional governments and are funded with a combination of local, state, and federal monies.

Intercity rail services primarily serve business or recreational travelers over longer distances between cities as well as between regions in California and other parts of the country. Currently, the state funds and contracts with Amtrak to provide intercity rail service, with trains that travel at maximum speeds of up to about 90 miles per hour. There are intercity rail services in three corridors: the Capitol Corridor service from San Jose to Auburn, the San Joaquin service

from Oakland to Bakersfield, and the Pacific Surfliner service from San Diego to San Luis Obispo. None of the existing state-funded intercity rail services provide train service between northern California and southern California.

High-Speed Rail. Currently California does not have a high-speed intercity passenger rail system that provides service at sustained speeds of 200 miles per hour or greater. In 1996, the state created the California High-Speed Rail Authority (the authority) to develop an intercity rail system that can operate at speeds of 200 miles per hour or faster to connect the major metropolitan areas of California, and provide service between northern California and southern California.

Over the past 12 years, the authority has spent about \$60 million for pre-construction activities, such as environmental studies and planning, related to the development of a high-speed rail system. The proposed system would use electric trains and connect the major metropolitan areas of San Francisco, Sacramento,

ANALYSIS BY THE LEGISLATIVE ANALYST

CONTINUED

through the Central Valley, into Los Angeles, Orange County, the Inland Empire (San Bernardino and Riverside Counties), and San Diego. The authority estimated in 2006 that the total cost to develop and construct the entire high-speed rail system would be about \$45 billion. While the authority plans to fund the construction of the proposed system with a combination of federal, private, local, and state monies, no funding has yet been provided.

PROPOSAL

This measure authorizes the state to sell \$9.95 billion in general obligation bonds to fund (1) pre-construction activities and construction of a high-speed passenger rail system in California, and (2) capital improvements to passenger rail systems that expand capacity and/or enable train riders to connect to the high-speed rail system. The bond funds would be available when appropriated by the Legislature. General obligation bonds are backed by the state, meaning that the state is required to pay the principal and interest costs on these bonds.

For more information regarding general obligation bonds, please refer to the section of this ballot pamphlet entitled “An Overview of State Bond Debt.”

The High-Speed Rail System. Of the total amount, \$9 billion would be used, together with any available federal monies and funds from other sources, to develop and construct a segment of the high-speed train system from the San Francisco Transbay Terminal to Los Angeles Union Station. The bond proceeds from this measure may be used to acquire right-of-way, trains, and related equipment, and to construct tracks, structures, power systems, and stations. However, bond proceeds may be used to provide only up to one-half of the total cost of construction of tracks and stations. The measure requires the authority to seek private and other public funds to cover the remaining costs.

After construction of the San Francisco to Los Angeles segment is fully funded, any remaining bond funds may then be used to plan and construct any of the following additional segments:

- Oakland to San Jose
- Sacramento to Merced
- Los Angeles to Inland Empire (San Bernardino and Riverside Counties)
- Inland Empire to San Diego
- Los Angeles to Irvine

Other Passenger Rail Systems. The remaining \$950 million in bond funds would be available to fund capital projects that improve other passenger rail systems in order to enhance these systems’ capacity and/or allow riders to connect to the high-speed rail system. Of the \$950 million, \$190 million is designated to improve the state’s intercity rail services. The remaining \$760 million would be used for other passenger rail services including urban and commuter rail.

FISCAL EFFECT

Bond Costs. The costs of these bonds would depend on interest rates in effect at the time they are sold and the time period over which they are repaid. The state would make principal and interest payments from the state’s General Fund over a period of about 30 years. If the bonds are sold at an average interest rate of 5 percent, the cost would be about \$19.4 billion to pay off both principal (\$9.95 billion) and interest (\$9.5 billion). The average repayment for principal and interest would be about \$647 million per year.

Operating Costs. When constructed, the high-speed rail system will incur unknown ongoing maintenance and operation costs, probably in excess of \$1 billion a year. Depending on the level of ridership, these costs would be at least partially offset by revenue from fares paid by passengers.

★ ARGUMENT IN FAVOR OF PROPOSITION 1 ★

Proposition 1 will bring Californians a safe, convenient, affordable, and reliable alternative to soaring gasoline prices, freeway congestion, rising airfares, plummeting airline service, and fewer flights available.

It will reduce California's dependence on foreign oil and reduce greenhouse gases that cause global warming.

Proposition 1 is a \$9.95 billion bond measure for an 800-mile High-Speed Train network that will relieve 70 million passenger trips a year that now clog California's highways and airports—**WITHOUT RAISING TAXES.**

California will be the first state in the country to benefit from environmentally preferred High-Speed Trains common today in Europe and Asia. Proposition 1 will bring California:

—Electric-powered High-Speed Trains running up to 220 miles an hour on modern track safely separated from other traffic generally along existing rail corridors.

—Routes linking downtown stations in SAN DIEGO, LOS ANGELES, FRESNO, SAN JOSE, SAN FRANCISCO, and SACRAMENTO, with stops in communities in between.

—High-Speed Train service to major cities in ORANGE COUNTY, the INLAND EMPIRE, the SAN JOAQUIN VALLEY, and the SOUTH BAY.

—Nearly a billion dollars to beef up commuter rail systems that connect to High-Speed Trains.

Proposition 1 will save time and money. Travel from Los Angeles to San Francisco in about 2½ hours for about \$50 a person. With gasoline prices today, a driver of a 20-miles-per-gallon car would spend about \$87 and six hours on such a trip.

Ten years of study and planning have gone into PREPARING FOR construction, financing, and operation of a California bullet train network modeled on popular, reliable, and successful systems in Europe and Asia. Their record shows that High-Speed Trains deliver, both in service and economy.

Air travelers spend more time on the ground than in the air today. Proposition 1 will create a new transportation choice that improves conditions at our major airports. There's no room for more runways. High-Speed Trains can relieve that demand.

Electric-powered High-Speed Trains will remove over 12 billion pounds of CO₂ and greenhouse gases, equal to the pollution of nearly 1 million cars. And High-Speed Trains require one-third the energy of air travel and one-fifth the energy of auto travel.

Proposition 1 will protect taxpayer interests:

—Two independent ridership and revenue forecasts by outside experts were subject to tough peer review.

—Existing High-Speed Train system operators are directly involved in oversight of the design of California's system.

—The new system will be subject to legal and financial oversight by the Governor, the Legislature, the Attorney General, and an independent outside expert.

—Proposition 1 bond funds will provide a match for AT LEAST ANOTHER 9 billion dollars in federal funding and private investment.

Vote Yes on Proposition 1 to IMPROVE MOBILITY and inject new vitality into California's economy by creating nearly 160,000 construction-related jobs and 450,000 permanent jobs in related industries like tourism. These are American jobs that cannot be outsourced.

Vote Yes on Proposition 1.

www.californiahighspeedtrains.com

MICHAEL TURNIPSEED, Executive Director
Kern County Taxpayers Association

GLEN CRAIG, Commissioner (Ret.)
California Highway Patrol

JIM EARP, Executive Director
California Alliance for Jobs

★ REBUTTAL TO ARGUMENT IN FAVOR OF PROPOSITION 1 ★

No on 1: A POLITICAL BOONDOGGLE.

Politicians who can't solve our budget crisis, fix health care or our schools, put Proposition 1 on the ballot. Even they admit the train is likely to cost at least \$40 billion dollars so this is just a "partial payment" by taxpayers, with NO guarantee it will ever get finished.

The project has already wasted \$58 million on consultants, studies, European travel, and glossy brochures. Prop. 1 allows the bureaucrats and politicians to *spend billions more without ever laying one inch of track*. California taxpayers would be on the hook for that money *even if the project were shut down*.

The special interests backing Proposition 1 are notorious for their *cost overruns*. They stand to make billions off this scam.

No on 1: WILL COST TAXPAYERS \$19,200,000,000.

Politicians admit that principal and interest payments will cost California taxpayers \$640 million dollars every year for 30 years.

How do the politicians plan on paying for this? NEW TAXES or cuts to critical programs like our schools? *Don't be misled—taxpayers are on the hook for the whole \$19,200,000,000.*

No on 1: EXPAND EXISTING TRANSIT SYSTEMS INSTEAD.

Californians' problem is not getting from San Francisco to Los Angeles, it's getting into work each day.

Investing the same amount of money in regional transit and highway congestion relief would reduce pollution and our reliance on foreign oil.

NO ON PROP 1: NO accountability, NO congestion relief for suffering commuters, and TAXPAYERS CAN'T AFFORD IT!

HON. TOM MCCLINTOCK, State Senator

JON COUPAL, President
Howard Jarvis Taxpayers Association

RICHARD TOLMACH, President
California Rail Foundation

★ **ARGUMENT AGAINST PROPOSITION 1** ★

NO on Prop. 1: \$20 Billion Cost for Taxpayers

Prop. 1 is a boondoggle that will cost taxpayers nearly \$20 billion dollars in principal and interest.

Taxpayers will foot this bill—it's not "free money." According to the measure (Article 3, Section 2704.10) ". . . the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal of, and interest on, the bonds" This measure will take \$20 billion dollars out of the general fund over the life of the bonds. That's over \$2,000 for an average family of four!

NO on Prop. 1: California Taxpayers Can't Afford Higher Budget Deficits

With our budget crisis, billions in red ink, pending cuts to health care, the poor, parks, and schools, now is NOT THE TIME to add another \$20 billion in state debt and interest. The state already has over \$100 BILLION DOLLARS in voter-approved bonds and our bond rating is already among the worst in the nation and this could lower it even further.

NO on Prop. 1—Better Uses for Taxpayer Dollars

California has higher priorities than this \$20 BILLION DOLLAR boondoggle.

What would \$20 billion buy?

- 22,000 new teachers, firefighters, or law enforcement personnel for 10 years.
- Health care for all children in the state for many years.
- Update and improve California's water system to provide a reliable supply of safe, clean water.
- Upgrade and expand existing transportation systems including roads and transit throughout California, *which would really reduce traffic and emissions.*

NO on Prop. 1—No Accountability

Politicians and bureaucrats will control the money. There is not ONE citizen member on the new "finance committee." They are all politicians and bureaucrats.

There are no reporting requirements so the public can see how the money is spent.

No independent, outside audit is required.

NO on Prop. 1—An Open Taxpayer Checkbook

The total cost is estimated to be over \$40 billion and some experts expect it to reach \$100 billion (\$10,000 for the average family of four).

Section 1(d) says the bond funds are ". . . intended to encourage the federal government and the private sector to make a significant contribution toward the construction"

NOTE THE WORD "ENCOURAGED"—that's bureaucratic language for "we will spend taxpayer money regardless of whether we ever get a penny from the private sector or the federal government."

In fact, \$58 million in taxpayer money has ALREADY been spent on this project and not ONE FOOT of track has been laid. Now they want us to trust them with \$10 BILLION more.

NO on Prop. 1—Promoted by Special Interests for Special Interests

The Association for California High Speed Trains is promoting this boondoggle. Their Board represents out-of-state special interests (France, Pennsylvania, New Jersey, Maryland, New York City, Texas, and Illinois), many of whom stand to make millions if this measure passes.

Please Join Us in Voting "NO" on Prop. 1

Log on, learn more, and read it for yourself: www.DerailHSR.com.

HON. TOM McCLINTOCK, State Senator

JON COUPAL, President

Howard Jarvis Taxpayers Association

HON. BOB DUTTON, State Senator

★ **REBUTTAL TO ARGUMENT AGAINST PROPOSITION 1** ★

California's high-speed rail network requires NO TAX INCREASE and is subject to strict fiscal controls and oversight.

It's simple and fair—Once completed THE USERS OF THE SYSTEM PAY FOR THE SYSTEM. That's why taxpayer watchdog groups support Proposition 1.

Electric High-Speed Trains will give Californians a *real* alternative to skyrocketing gasoline prices and dependence on foreign oil while reducing greenhouse gases that cause global warming. Building high-speed rail is cheaper than expanding highways, airports, and runways to meet California's population growth.

Gridlock, hassles of flying and long-distance auto travel have become very onerous. Proposition 1 will save time. Travel intercity downtown to downtown throughout California on High-Speed Trains faster than automobile or air travel—AT A CHEAPER COST!

California's transportation system is out-of-date and deteriorating. We need options to poorly maintained roads, jammed runways and congested highways. Californians need what most of the civilized world has—high-speed rail. We've fallen so far behind other states and nations that our crumbling infrastructure threatens our economy.

A 220-mile-an-hour statewide rail system will give Californians a faster, environmentally friendly alternative for travel and commerce.

Proposition 1 is endorsed by law enforcement experts, business leaders, environmentalists, and Californians looking for safe, affordable, and reliable transportation.

Signers of the ballot argument against Proposition 1 are habitual opponents of transportation improvements in California. Their claims are wrong.

Californians need to invest in a new, modern, effective mode of transportation.

Vote Yes on Proposition 1.

www.californiahighspeedtrains.com

MICHAEL TURNIPSEED, Executive Director

Kern County Taxpayers Association

JIM EARP, Executive Director

California Alliance for Jobs

TIMOTHY McCALLION, Chair of the Board of Directors
Los Angeles Area Chamber of Commerce

QUICK-REFERENCE GUIDE

PROP 1 HIGH SPEED RAIL BONDS. LEGISLATIVE INITIATIVE AMENDMENT.

SUMMARY

Put on the Ballot by the Legislature

This act provides for the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century. For the purpose of reducing traffic on the state's highways and roadways, upgrading commuter transportation, improving people's ability to get safely from city to city, alleviating congestion at airports, reducing air pollution, and providing for California's growing population, shall the state build a high-speed train system and improve existing passenger rail lines serving the state's major population centers by creating a rail trust fund that will issue bonds totaling \$9.95 billion, paid from existing state funds at an average cost of six hundred and forty-seven million dollars (\$647 million) per year over the 30-year life of the bonds, with all expenditures subject to an independent audit? Fiscal Impact: State cost of \$19.4 billion over 30 years to pay both principal and interest costs of the bonds. Payments would average about \$647 million per year. Unknown operation and maintenance costs, probably over \$1 billion annually; at least partially offset by passenger fares.

WHAT YOUR VOTE MEANS

YES A YES vote on this measure means: The state could sell \$9.95 billion in general obligation bonds, to plan and to partially fund the construction of a high-speed rail system in California, and to make capital improvements to state and local rail services.

NO A NO vote on this measure means: The state could not sell \$9.95 billion in general obligation bonds for these purposes.

ARGUMENTS

PRO California's transportation system is broken: skyrocketing gasoline prices, gridlocked freeways, and airports. High-speed trains are the new transportation option that reduces greenhouse gases that cause global warming and dependence on foreign oil. High-speed trains are cheaper than building new highways, airports, and runways to meet population growth without NEW TAXES.

CON This political boondoggle will cost taxpayers \$19,200,000,000 in principal and interest. We need that money for schools, healthcare, and public safety. The bureaucrats could waste billions of taxpayer dollars before we see one inch of track. During California's biggest budget crisis we can't afford to spend billions on a pipedream.

FOR ADDITIONAL INFORMATION

FOR
Robert Pence
Californians For High Speed Trains
– Yes on Proposition 1
455 Capitol Mall, Suite 801
Sacramento, CA 95814
(916) 551-2513
www.californiahighspeedtrains.com

AGAINST
Jon Coupal
Howard Jarvis Taxpayers Association
921 11th Street, Suite 1201
Sacramento, CA 95814
(916) 444-9950
info@hjta.org
www.hjta.org

PROP 2 STANDARDS FOR CONFINING FARM ANIMALS. INITIATIVE STATUTE.

SUMMARY

Put on the Ballot by Petition Signatures

Requires that certain farm animals be allowed, for the majority of every day, to fully extend their limbs or wings, lie down, stand up and turn around. Limited exceptions apply. Fiscal Impact: Potential unknown decrease in state and local tax revenues from farm businesses, possibly in the range of several million dollars annually. Potential minor local and state enforcement and prosecution costs, partly offset by increased fine revenue.

WHAT YOUR VOTE MEANS

YES A YES vote on this measure means: Beginning in 2015, state law would prohibit, with certain exceptions, the confinement on a farm of pregnant pigs, calves raised for veal, and egg-laying hens in a manner that does not allow them to turn around freely, lie down, stand up, and fully extend their limbs.

NO A NO vote on this measure means: State law would not contain prohibitions specifically concerning the confinement of pregnant pigs, calves raised for veal, and egg-laying hens.

ARGUMENTS

PRO YES on Prop. 2 protects animals, consumers, family farmers, and our environment. Animals deserve humane treatment. Denying them space to turn around or stretch their limbs is cruel and wrong. Supporters: Humane Society of the United States, California Veterinary Medical Association, Consumer Federation of America, Center for Food Safety.
www.YesOnProp2.org.

CON Proposition 2 is too RISKY. Californians enjoy safe, local, affordable eggs. A UC Davis study says Proposition 2 eliminates California egg production. Instead, our eggs will come from out-of-state and Mexico. Public health experts oppose Proposition 2 because it THREATENS increased human exposure to Salmonella and Bird Flu. Vote No.

FOR ADDITIONAL INFORMATION

FOR
Jennifer Fearing
Yes on Prop. 2 – Californians for Humane Farms
1700 L Street
Sacramento, CA 95814
(323) 896-1126
info@YesOnProp2.org
www.YesOnProp2.org

AGAINST
Californians for SAFE Food
P.O. Box 71541
Los Angeles, CA 90071
(213) 362-9539
www.safecaliforniafood.org

PROPOSITION 1

This law proposed by Senate Bill 1856 of the 2001–2002 Regular Session (Chapter 697, Statutes of 2002) and amended by Assembly Bill 713 of the 2005–2006 Regular Session (Chapter 44, Statutes of 2006) is submitted to the people in accordance with the provisions of Article XVI of the California Constitution.

This proposed law adds sections to the Streets and Highways Code; therefore, new provisions proposed to be added are printed in *italic type* to indicate that they are new.

PROPOSED LAW

SEC. 2. Chapter 20 (commencing with Section 2704) is added to Division 3 of the Streets and Highways Code, to read:

CHAPTER 20. SAFE, RELIABLE HIGH-SPEED PASSENGER TRAIN BOND ACT FOR THE 21ST CENTURY

Article 1. General Provisions

2704. This chapter shall be known and may be cited as the *Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century*.

2704.01. As used in this chapter, the following terms have the following meanings:

(a) “Committee” means the *High-Speed Passenger Train Finance Committee* created pursuant to Section 2704.12.

(b) “Authority” means the *High-Speed Rail Authority* created pursuant to Section 185020 of the Public Utilities Code.

(c) “Fund” means the *High-Speed Passenger Train Bond Fund* created pursuant to Section 2704.05.

(d) “High-speed train” means a passenger train capable of sustained revenue operating speeds of at least 200 miles per hour where conditions permit those speeds.

(e) “High-speed train system” means a system with high-speed trains and includes, but is not limited to, the following components: right-of-way, track, power system, rolling stock, stations, and associated facilities.

Article 2. High-Speed Passenger Train Financing Program

2704.04. (a) It is the intent of the Legislature by enacting this chapter and of the people of California by approving the bond measure pursuant to this chapter to initiate the construction of a high-speed train network consistent with the authority’s Final Business Plan of June 2000.

(b) (1) Nine billion dollars (\$9,000,000,000) of the proceeds of bonds authorized pursuant to this chapter, as well as federal funds and other revenues made available to the authority, to the extent consistent with federal and other fund source conditions, shall be used for planning and eligible capital costs, as defined in subdivision (c), for the segment of the high-speed train system between San Francisco Transbay Terminal and Los Angeles Union Station. Once construction of the San Francisco-Los Angeles segment is fully funded, all remaining funds described in this subdivision shall be used for planning and eligible capital costs, as defined in subdivision (c), for the following additional high-speed train segments without preference to order:

- (A) Oakland-San Jose.
- (B) Sacramento-Merced.
- (C) Los Angeles-Inland Empire.
- (D) Inland Empire-San Diego.
- (E) Los Angeles-Irvine.

(2) Revenues generated by operations above and beyond operating and maintenance costs shall be used to fund construction of the high-speed train system.

(c) Capital costs eligible to be paid from proceeds of bonds authorized for high-speed train purposes pursuant to this chapter include all activities necessary for acquisition of right-of-way, construction of tracks, structures, power systems, and stations, purchase of rolling stock and related equipment, and other related capital facilities and equipment.

(d) Proceeds of bonds authorized pursuant to this chapter shall not be used for any operating or maintenance costs of trains or facilities.

(e) The State Auditor shall perform periodic audits of the authority’s use of proceeds of bonds authorized pursuant to this chapter for consistency with the requirements of this chapter.

2704.05. The proceeds of bonds issued and sold pursuant to this chapter shall be deposited in the *High-Speed Passenger Train Bond Fund*, which is hereby created.

2704.06. Nine billion dollars (\$9,000,000,000) of the money in the fund, upon appropriation by the Legislature, shall be available, without regard to

fiscal years, for planning and construction of a high-speed train system in this state, consistent with the authority’s Final Business Plan of June 2000, as subsequently modified pursuant to environmental studies conducted by the authority.

2704.07. The authority shall pursue and obtain other private and public funds, including, but not limited to, federal funds, funds from revenue bonds, and local funds, to augment the proceeds of this chapter.

2704.08. Proceeds of bonds authorized for high-speed train purposes pursuant to this chapter shall not be used for more than one-half of the total cost of construction of track and station costs of each segment of the high-speed train system.

2704.09. The high-speed train system to be constructed pursuant to this chapter shall have the following characteristics:

(a) Electric trains that are capable of sustained maximum revenue operating speeds of no less than 200 miles per hour.

(b) Maximum express service travel times for each corridor that shall not exceed the following:

- (1) San Francisco-Los Angeles Union Station: two hours, 42 minutes.
- (2) Oakland-Los Angeles Union Station: two hours, 42 minutes.
- (3) San Francisco-San Jose: 31 minutes.
- (4) San Jose-Los Angeles: two hours, 14 minutes.
- (5) San Diego-Los Angeles: one hour.
- (6) Inland Empire-Los Angeles: 29 minutes.
- (7) Sacramento-Los Angeles: two hours, 22 minutes.
- (8) Sacramento-San Jose: one hour, 12 minutes.

(c) Achievable operating headway (time between successive trains) shall be five minutes or less.

(d) The total number of stations to be served by high-speed trains for all of the segments described in subdivision (b) of Section 2704.04 shall not exceed 24.

(e) Trains shall have the capability to transition intermediate stations, or to bypass those stations, at mainline operating speed.

(f) For each corridor described in subdivision (b), passengers shall have the capability of traveling from any station on that corridor to any other station on that corridor without being required to change trains.

(g) In order to reduce impacts on communities and the environment, the alignment for the high-speed train system shall follow existing transportation or utility corridors to the extent possible.

(h) Stations shall be located in areas with good access to local mass transit or other modes of transportation.

(i) The high-speed train system shall be planned and constructed in a manner that minimizes urban sprawl and impacts on the natural environment.

(j) Preserving wildlife corridors and mitigating impacts to wildlife movement where feasible in order to limit the extent to which the system may present an additional barrier to wildlife’s natural movement.

2704.095. (a) (1) Of the proceeds of bonds authorized pursuant to this chapter, nine hundred fifty million dollars (\$950,000,000) shall be allocated to eligible recipients for capital improvements to intercity and commuter rail lines and urban rail systems to provide connectivity to the high-speed train system as that system is described in subdivision (b) of Section 2704.04 and to provide capacity enhancements and safety improvements. Funds under this section shall be available upon appropriation by the Legislature in the Annual Budget act for the eligible purposes described in subdivision (d).

(2) Twenty percent (one hundred ninety million dollars (\$190,000,000)) of the amount authorized by this section shall be allocated for intercity rail to the Department of Transportation, for state-supported intercity rail lines that provide regularly scheduled service and use public funds to operate and maintain rail facilities, rights-of-way, and equipment. A minimum of 25 percent of the amount available under this paragraph (forty-seven million five hundred thousand dollars (\$47,500,000)) shall be allocated to each of the state’s three intercity rail corridors.

The California Transportation Commission shall allocate the available funds to eligible recipients consistent with this section and shall develop guidelines to implement the requirements of this section. The guidelines shall include provisions for the administration of funds, including, but not limited to, the authority of the intercity corridor operators to loan these funds by mutual agreement between intercity rail corridors.

(3) Eighty percent (seven hundred sixty million dollars (\$760,000,000)) of the amount authorized by this section shall be allocated to eligible recipients, except intercity rail, as described in subdivision (c) based upon a percentage amount calculated to incorporate all of the following:

(A) One-third of the eligible recipient's percentage share of statewide track miles.

(B) One-third of the eligible recipient's percentage share of statewide annual vehicle miles.

(C) One-third of the eligible recipient's percentage share of statewide annual passenger trips.

The California Transportation Commission shall allocate the available funds to eligible recipients consistent with this section and shall develop guidelines to implement the requirements of this section.

(b) For the purposes of this section, the following terms have the following meanings:

(1) "Track miles" means the miles of track used by a public agency or joint powers authority for regular passenger rail service.

(2) "Vehicle miles" means the total miles traveled, commencing with pullout from the maintenance depot, by all locomotives and cars operated in a train consist for passenger rail service by a public agency or joint powers authority.

(3) "Passenger trips" means the annual unlinked passenger boardings reported by a public agency or joint powers authority for regular passenger rail service.

(4) "Statewide" when used to modify the terms in paragraphs (A), (B), and (C) of paragraph (3) of subdivision (a) means the combined total of those amounts for all eligible recipients.

(c) Eligible recipients for funding under paragraph (3) of subdivision (a) shall be public agencies and joint powers authorities that operate regularly scheduled passenger rail service in the following categories:

(1) Commuter rail.

(2) Light rail.

(3) Heavy rail.

(4) Cable car.

(d) Funds allocated pursuant to this section shall be used for connectivity with the high-speed train system or for the rehabilitation or modernization of, or safety improvements to, tracks utilized for public passenger rail service, signals, structures, facilities, and rolling stock.

(e) Eligible recipients may use the funds for any eligible rail element set forth in subdivision (d).

(f) In order to be eligible for funding under this section, an eligible recipient under paragraph (3) of subdivision (a) shall provide matching funds in an amount not less than the total amount allocated to the recipient under this section.

(g) An eligible recipient of funding under paragraph (3) of subdivision (a) shall certify that it has met its matching funds requirement, and all other requirements of this section, by resolution of its governing board, subject to verification by the California Transportation Commission.

(h) Funds made available to an eligible recipient under paragraph (3) of subdivision (a) shall supplement existing local, state, or federal revenues being used for maintenance or rehabilitation of the passenger rail system. Eligible recipients of funding under paragraph (3) of subdivision (a) shall maintain their existing commitment of local, state, or federal funds for these purposes in order to remain eligible for allocation and expenditure of the additional funding made available by this section.

(i) In order to receive any allocation under this section, an eligible recipient under paragraph (3) of subdivision (a) shall annually expend from existing local, state, or federal revenues being used for the maintenance or rehabilitation of the passenger rail system in an amount not less than the annual average of its expenditures from local revenues for those purposes during the 1998–99, 1999–2000, and 2000–01 fiscal years.

(j) Funds allocated pursuant to this section to the Southern California Regional Rail Authority for eligible projects within its service area shall be apportioned each fiscal year in accordance with memorandums of understanding to be executed between the Southern California Regional Rail Authority and its member agencies. The memorandum or memorandums of understanding shall take into account the passenger service needs of the Southern California Regional Rail Authority and of the member agencies, revenue attributable to member agencies, and separate contributions to the Southern California Regional Rail Authority from the member agencies.

Article 3. Fiscal Provisions

2704.10. Bonds in the total amount of nine billion nine hundred fifty million dollars (\$9,950,000,000), exclusive of refunding bonds, or so much thereof as is necessary, may be issued and sold to provide a fund to be used for carrying out the purposes expressed in this chapter and to be used to reimburse the General Obligation Bond Expense Revolving Fund pursuant to Section

16724.5 of the Government Code. The bonds, when sold, shall be and constitute a valid and binding obligation of the State of California, and the full faith and credit of the State of California is hereby pledged for the punctual payment of both principal of, and interest on, the bonds as the principal and interest become due and payable.

2704.11. (a) Except as provided in subdivision (b), the bonds authorized by this chapter shall be prepared, executed, issued, sold, paid, and redeemed as provided in the State General Obligation Bond Law, Chapter 4 (commencing with Section 16720) of Part 3 of Division 4 of Title 2 of the Government Code, and all of the provisions of that law apply to the bonds and to this chapter and are hereby incorporated in this chapter as though set forth in full in this chapter.

(b) Notwithstanding any provision of the State General Obligation Bond Law, each issue of bonds authorized by the committee shall have a final maturity of not more than 30 years.

2704.12. (a) Solely for the purpose of authorizing the issuance and sale, pursuant to the State General Obligation Bond Law, of the bonds authorized by this chapter, the High-Speed Passenger Train Finance Committee is hereby created. For purposes of this chapter, the High-Speed Passenger Train Finance Committee is "the committee" as that term is used in the State General Obligation Bond Law. The committee consists of the Treasurer, the Director of Finance, the Controller, the Secretary of the Business, Transportation and Housing Agency, and the chairperson of the authority, or their designated representatives. The Treasurer shall serve as chairperson of the committee. A majority of the committee may act for the committee.

(b) For purposes of the State General Obligation Bond Law, the authority is designated the "board."

2704.13. The committee shall determine whether or not it is necessary or desirable to issue bonds authorized pursuant to this chapter in order to carry out the actions specified in Sections 2704.06 and 2704.095 and, if so, the amount of bonds to be issued and sold. Successive issues of bonds may be issued and sold to carry out those actions progressively, and it is not necessary that all of the bonds authorized be issued and sold at any one time. The committee shall consider program funding needs, revenue projections, financial market conditions, and other necessary factors in determining the shortest feasible term for the bonds to be issued.

2704.14. There shall be collected each year and in the same manner and at the same time as other state revenue is collected, in addition to the ordinary revenues of the state, a sum in an amount required to pay the principal of, and interest on, the bonds each year. It is the duty of all officers charged by law with any duty in regard to the collection of the revenue to do and perform each and every act which is necessary to collect that additional sum.

2704.15. Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund in the State Treasury, for the purposes of this chapter, an amount equal to that sum annually necessary to pay the principal of, and interest on, bonds issued and sold pursuant to this chapter, as the principal and interest become due and payable.

2704.16. The board may request the Pooled Money Investment Board to make a loan from the Pooled Money Investment Account, in accordance with Section 16312 of the Government Code, for purposes of this chapter. The amount of the request shall not exceed the amount of the unsold bonds which the committee has, by resolution, authorized to be sold for the purpose of this chapter, less any amount borrowed pursuant to Section 2701.17. The board shall execute such documents as required by the Pooled Money Investment Board to obtain and repay the loan. Any amount loaned shall be deposited in the fund to be allocated by the board in accordance with this chapter.

2704.17. For the purpose of carrying out this chapter, the Director of Finance may authorize the withdrawal from the General Fund of an amount or amounts not to exceed the amount of unsold bonds which have been authorized by the committee to be sold for the purpose of carrying out this chapter, less any amount borrowed pursuant to Section 2704.16. Any amount withdrawn shall be deposited in the fund. Any money made available under this section shall be returned to the General Fund, plus the interest that the amounts would have earned in the Pooled Money Investment Account, from the sale of bonds for the purpose of carrying out this chapter.

2704.18. All money deposited in the fund which is derived from premium and accrued interest on bonds sold shall be reserved in the fund and shall be available for transfer to the General Fund as a credit to expenditures for bond interest.

2704.19. The bonds may be refunded in accordance with Article 6 (commencing with Section 16780) of the State General Obligation Bond Law. Approval by the electors of the state for the issuance of bonds shall include

approval of the issuance of any bonds issued to refund any bonds originally issued or any previously issued refunding bonds.

2704.20. The Legislature hereby finds and declares that, inasmuch as the proceeds from the sale of bonds authorized by this chapter are not “proceeds of taxes” as that term is used in Article XIII B of the California Constitution, the disbursement of these proceeds is not subject to the limitations imposed by that article.

2704.21. Notwithstanding any provision of the State General Obligation Bond Law with regard to the proceeds from the sale of bonds authorized by this chapter that are subject to investment under Article 4 (commencing with Section 16470) of Chapter 3 of Part 2 of Division 4 of Title 2 of the Government Code, the Treasurer may maintain a separate account for investment earnings, order the payment of those earnings to comply with any rebate requirement applicable under federal law, and may otherwise direct the use and investment of those proceeds so as to maintain the tax-exempt status of those bonds and to obtain any other advantage under federal law on behalf of the funds of this state.

PROPOSITION 2

This initiative measure is submitted to the people in accordance with the provisions of Article II, Section 8, of the California Constitution.

This initiative measure adds sections to the Health and Safety Code; therefore, new provisions proposed to be added are printed in *italic type* to indicate that they are new.

PROPOSED LAW

SECTION 1. SHORT TITLE

This act shall be known and may be cited as the Prevention of Farm Animal Cruelty Act.

SECTION 2. PURPOSE

The purpose of this act is to prohibit the cruel confinement of farm animals in a manner that does not allow them to turn around freely, lie down, stand up, and fully extend their limbs.

SECTION 3. FARM ANIMAL CRUELTY PROVISIONS

Chapter 13.8 (commencing with Section 25990) is added to Division 20 of the Health and Safety Code, to read:

CHAPTER 13.8. FARM ANIMAL CRUELTY

25990. *PROHIBITIONS. In addition to other applicable provisions of law, a person shall not tether or confine any covered animal, on a farm, for all or the majority of any day, in a manner that prevents such animal from:*

- (a) *Lying down, standing up, and fully extending his or her limbs; and*
- (b) *Turning around freely.*

25991. *DEFINITIONS. For the purposes of this chapter, the following terms have the following meanings:*

(a) *“Calf raised for veal” means any calf of the bovine species kept for the purpose of producing the food product described as veal.*

(b) *“Covered animal” means any pig during pregnancy, calf raised for veal, or egg-laying hen who is kept on a farm.*

(c) *“Egg-laying hen” means any female domesticated chicken, turkey, duck, goose, or guinea fowl kept for the purpose of egg production.*

(d) *“Enclosure” means any cage, crate, or other structure (including what is commonly described as a “gestation crate” for pigs; a “veal crate” for calves; or a “battery cage” for egg-laying hens) used to confine a covered animal.*

(e) *“Farm” means the land, building, support facilities, and other equipment that are wholly or partially used for the commercial production of animals or animal products used for food or fiber; and does not include live animal markets.*

(f) *“Fully extending his or her limbs” means fully extending all limbs without touching the side of an enclosure, including, in the case of egg-laying hens, fully spreading both wings without touching the side of an enclosure or other egg-laying hens.*

(g) *“Person” means any individual, firm, partnership, joint venture, association, limited liability company, corporation, estate, trust, receiver, or syndicate.*

(h) *“Pig during pregnancy” means any pregnant pig of the porcine species kept for the primary purpose of breeding.*

(i) *“Turning around freely” means turning in a complete circle without any impediment, including a tether, and without touching the side of an enclosure.*

25992. *EXCEPTIONS. This chapter shall not apply:*

(a) *During scientific or agricultural research.*

(b) *During examination, testing, individual treatment or operation for veterinary purposes.*

(c) *During transportation.*

(d) *During rodeo exhibitions, state or county fair exhibitions, 4-H programs, and similar exhibitions.*

(e) *During the slaughter of a covered animal in accordance with the provisions of Chapter 6 (commencing with Section 19501) of Part 3 of Division 9 of the Food and Agricultural Code, relating to humane methods of slaughter, and other applicable law and regulations.*

(f) *To a pig during the seven-day period prior to the pig’s expected date of giving birth.*

25993. *ENFORCEMENT. Any person who violates any of the provisions of this chapter is guilty of a misdemeanor, and upon conviction thereof shall be punished by a fine not to exceed one thousand dollars (\$1,000) or by imprisonment in the county jail for a period not to exceed 180 days or by both such fine and imprisonment.*

25994. CONSTRUCTION OF CHAPTER.

The provisions of this chapter are in addition to, and not in lieu of, any other laws protecting animal welfare, including the California Penal Code. This chapter shall not be construed to limit any state law or regulations protecting the welfare of animals, nor shall anything in this chapter prevent a local governing body from adopting and enforcing its own animal welfare laws and regulations.

SECTION 4. SEVERABILITY

If any provision of this act, or the application thereof to any person or circumstances, is held invalid or unconstitutional, that invalidity or unconstitutionality shall not affect other provisions or applications of this act that can be given effect without the invalid or unconstitutional provision or application, and to this end the provisions of this act are severable.

SECTION 5. EFFECTIVE DATES

The provisions of Sections 25990, 25991, 25992, 25993, and 25994 shall become operative on January 1, 2015.

PROPOSITION 3

This initiative measure is submitted to the people in accordance with the provisions of Article II, Section 8, of the California Constitution.

This initiative measure adds sections to the Health and Safety Code; therefore, new provisions proposed to be added are printed in *italic type* to indicate that they are new.

PROPOSED LAW

SECTION 1. Part 6.1 (commencing with Section 1179.50) is added to Division 1 of the Health and Safety Code, to read:

PART 6.1. CHILDREN’S HOSPITAL BOND ACT OF 2008

CHAPTER 1. GENERAL PROVISIONS

1179.50. (a) *This part shall be known and may be cited as the Children’s Hospital Bond Act of 2008.*

(b) *California’s network of regional children’s hospitals provide vital health care services to children facing life-threatening illness or injury. Over one million times each year, children are cared for at these hospitals without regard to their family’s ability to pay.*

(c) *Children’s hospitals also provide specialized treatment and care that has increased the survival of children suffering from serious diseases and illnesses such as childhood leukemia, cancer, heart defects, diabetes, sickle cell anemia, and cystic fibrosis.*

(d) *Children’s hospitals also provide essential training for pediatricians, pediatric specialists and others who treat children, and they conduct critically important medical research that benefits all of California’s children.*

(e) *However, the burden of providing uncompensated care and the increasing costs of health care seriously impair our children’s hospitals’ ability to modernize and expand their facilities and to purchase the latest medical technologies and special medical equipment necessary to take care of sick children.*

(f) *Therefore, the people desire to provide a steady and ready source of funds for capital improvement programs for children’s hospitals to improve the health, welfare, and safety of California’s children.*

1179.51. *As used in this part, the following terms have the following meanings:*